

REMARKS

I. Summary

Applicant thanks Examiner Akintola for the thorough examination. The Final Office Action mailed September 2, 2008 (“Office Action”), set forth the following rejections:

- claims 1-8, 10, 11, 22-27, 29, and 30 were rejected under 35 U.S.C. § 103 as unpatentable over U.S. Patent Application Publ. 2002/0116205 by Akireddipally, *et al.* (“Akireddipally”) in view of U.S. Patent 5,963,923 to Garber (“Garber”).
- claim 9 was rejected under 35 U.S.C. § 103 as unpatentable over Akireddipally in view of Garber in further view of U.S. Patent Application Publ. 2003/0126068 by Hauk, *et al.*
- claim 28 was rejected under 35 U.S.C. § 103 as unpatentable over Akireddipally in view of Garber in further view of U.S. Patent 6,519,574 to Wilton, *et al.*.

Applicant submits that the cited art does not disclose the features of the pending claims for at least the following reasons:

II. Related Applications

Applicant understands that the Examiner reviews the claims and prosecution history of related applications as they contain common subject matter. For the purposes of the present application, Applicant hereby rescinds any disclaimer of claim scope that may have been (or may be) made during the prosecution of any related application. Applicant also respectfully requests examination of each claim in the present application according to the language of the claim, and prior art as set forth in the MPEP, and not importing statements made by the Applicant in the prosecution of any related application.

III. Rejections Under 35 U.S.C. § 103

In the claims, an order is sent on behalf of a trader from a first electronic market to second electronic market. The two electronic markets between which an order is sent on behalf of a trader both include electronic matching processes and both automatically match bids and offers received from remote client devices. The first matching process automatically matches bids and offers for a first tradeable object and the second matching process automatically matches bids and offers for a second tradeable object that is different from the first tradeable object. That is, in the claims an

electronic market having a matching process takes action on behalf of a trader by sending an order for a different tradeable object to another electronic market having an electronic matching process.

In contrast to the claims, Garber links a Rolling Spot Currency contract with a Principal Market Maker (“PMM”) program by merging a combined trader/broker with a traditional futures pit trading environment. (Abstract; col. 3, ll. 45-50). The PMM system of Garber is coupled to electronic trading systems, such as electronic exchanges, to transfer risk to various other traders. (col. 6, ll. 12-16). Figure 1 shows a PMM/Rolling Spot Currency System having a PMM computer 12 linked with a Rolling Spot Currency Computer 10. The PMM computer 12 is also coupled with electronic trading systems 16 (Project A), 18 (Globex), 20 (Reuters), 22 (Electronic Brokerage System (“EBS”)), 24 (Minex), which are all well known electronic exchanges for receiving and matching orders for futures and options on behalf of traders. (col. 6, ll. 1-5).

Figure 2 shows more detail of the PMM/Rolling Spot Currency system in which a PMM/Rolling Spot Futures computer 33 transfers risk to a PMM/Rolling Spot Options computer 35. (*see also* col. 6, ll. 12-16; col. 6, ll. 28-31). A bidirectional communication between the PMM computers facilitates intermarket trading for managing risk taken in a position resulting in a trade in either market. (col. 4, ll. 4-8). In particular, the PMM/Rolling Spot Futures computer 33 counters risk associated with a future with a reciprocal transaction for options from the PMM/Rolling Spot Options computer 35 to neutralize the PMM’s inventory risk. The PMM/Rolling Spot Options computer 35 transfers the risk, or disperses the risk among multiple traders, with an appropriate transaction with within the options trading crowd through terminals 32, 34, 36. (col. 6, ll. 48-57; col. 7, ll. 13-20). Similarly, the PMM/Rolling Spot Options computer 35 may transfer the risk by transacting an appropriate amount of futures where the PMM/Rolling Spot Futures computer 33 makes appropriate transactions with spot futures 28 and currency futures traders 40. (col. 7, ll. 1-7).

Garber explains that the PMM system is used by a bank to hedge its own inventory. (col. 7, ll. 24-26). In operation, an order may be executed against the bank’s own inventory or placed in the bank’s inventory in a queue. (col. 7, ll. 9-13; col. 7, ll. 24-26; col. 8, ll. 21-24, col. 8, ll. 35-39). The PMM system transfers the bank’s risk for inventory orders it (has to) purchases, (col. 7, ll. 8-11) or to hedge against risks associated with the bank’s own inventory. (col. 7, ll. 25-27). If an inventory order is executed against the PMM Futures computer 33, the corresponding currency is

added or subtracted from the bank's currency and the PMM/Rolling Spot Options computer 35 transfers the bank's risk. (col. 8, ll. 42-47). The PMM/Rolling Spot Options computer 35 executes the trade out of its inventory or places the order in its inventory. (col. 8, ll. 48-54). When the PMM/Rolling Spot Options computer 35 executes the order, the PMM inventory is updated and the risk transferred to the trading crowd. Therefore, when the bank incurs risk (*i.e.*, the PMM system executes an order out of its own inventory), the risk PMM system transfers the risk within the PMM system to the PMM/Rolling Spot Options computer 35 or by sending an order to the trading crowd. Thus, the PMM system is separate from the electronic markets and sends orders to the markets to transfer the bank's risk.

The PMM computers in Garber are not electronic markets as included in the claims. More particularly, in Garber, there is no electronic market having a matching process that takes action on behalf of a trader by sending an order for the trader for a different tradeable object to another electronic market having an electronic matching process. Although a transmission occurs between PMM's and between a PMM and the trading crowd, the PMM computers in Garber do not include a matching process as included in the claims. The PMM simply do not match bids and offers as included in the claims. To the extent that the PMMs are considered to have a matching process, each PMM does not take action on behalf of a trader, but rather itself (*i.e.* transfer its own risk). Moreover, to the extent that an order is sent from a PMM to an exchange it is sent to the trading crowd or the trading pits (col. 7, ll. 42-44; col. 8, ll. 58-61). Accordingly, features of the claims are entirely missing from Garber.

Applicant also respectfully submits that Ankireddipally discloses a system that manages transactions processing and message flow, (Abstract), and therefore, is simply cumulative to Garber. A commerce exchange server produces messages needed to perform a transaction and manages message flow to and from service application without user intervention. (par. [0012]). Nothing in Ankireddipally discloses or suggests sending an order from an electronic market to another on behalf of a trader. Indeed, the disclosure of Ankireddipally is silent with regards to electronic exchanges having a match process, orders sent to an exchange and taking action on behalf of a trader because Ankireddipally relates to transaction sharing between network-distributed software applications (par.[002]) and not to electronic trading. Accordingly, also absent in Ankireddipally is the feature of an electronic market having a matching process takes action on

behalf of a trader by sending an order for a different tradeable object to another electronic market having an electronic matching process. The transaction distribution of Ankireddipally in combination Garber would simply allow the PMMs of Garber to transfer risks within the PMM system. The combination of Ankireddipally and Garber still does not disclose the features of the claims.

Applicant also respectfully submits that claims 1 and 22 are not a predictable use of prior art elements according to their established functions. In particular, the prior art does not disclose or suggest a market having taking action on behalf of a trader as included in the claims. Since the cited art does not disclose the features of the claims, much less their established functions, the cited art cannot be combined to render the claims obvious. Accordingly, Applicant respectfully requests removal of the rejection and earnestly solicits allowance.

IV. Conclusion

Applicant respectfully submits that the rejections of the Office Action are obviated and that the pending claims are in a condition for allowance. Favorable reconsideration and withdrawal of the rejections are respectfully requested. The Examiner is invited contact Trading Technologies in-house Patent Counsel Joseph Flerlage at 312-698-6065 if it would expedite prosecution.

Respectfully submitted,

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By: /Thomas J. Loos/
Thomas J. Loos
Reg. No. 60,161